



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: State Budget Update

MEETING DATE: March 19, 2003

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: No action necessary.

BACKGROUND INFORMATION: Mayor Hitchcock has requested that the City Manager provide an update regarding the State budget during each Council meeting; as such, the City Manager will provide the most current information available.

Attached for Council's information is an excerpt regarding the State budget from the March 7, 2003, *Priority Focus* by the League of California Cities.

FUNDING: None.

Thank you,

A handwritten signature in cursive script, appearing to read "Janet Keeter".

Janet S. Keeter
Deputy City Manager

JSK/jmp

Attachment

APPROVED: _____

A handwritten signature in cursive script, appearing to read "H. Dixon Flynn".
H. Dixon Flynn -- City Manager

Article from **Priority Focus** (http://www.imakenews.com/priorityfocus/e_article000133410.cfm?x=a1syfDR,aRkDQ9N)

March 7, 2003

State Budget Update

- The Assembly budget committee passed legislation on Monday containing \$3.3 billion in current fiscal year program cuts.

Governor Davis and the State Controller Steve Westly are reported to be arguing over which of them has the authority to pull the trigger – with neither eager to assume the political "heat" associated with doing so.

- Senator Burton held a press conference early in the week in which he expressed appreciation to Senate Republicans for having introduced their budget proposals last week. He identified what he believed were a number of problems with the proposal, but emphasized the importance of the Republicans' efforts to put forward their ideas about a budget solution.

- By the end of the week, Senate Democrats had agreed to delay taking formal votes on FY 2003-04 year cuts, at least until the end of the month, to give staff more time to review the impacts of the Governor's proposed plan.

- The Assembly Local Government Committee and Assembly Budget Subcommittee on State Organization (with authority over local assistance funding) held a joint informational hearing on March 5 to gather ideas about how to reform the state-local fiscal relationship. League Executive Director Chris McKenzie testified, calling for balanced mix of adequate revenues tied to public needs and services, and constitutional changes to protect those revenues from state raids. (See article, "[McKenzie Calls For Fiscal Reform](#)".) Other witnesses: League economic consultant Michael Coleman; State Finance Director Steve Peace; and representatives from the California State Association of Counties, the California Tax Reform Association and the California Taxpayers Association (among others).

- The Senate Local Government Committee is holding a similar informational hearing today in the City of Inglewood. The League's Regional Representatives in Los Angeles worked together to recruit about 10 city officials to testify, including police chiefs, union representatives, county library officials and others.

- Several joint policy/budget committee informational hearings on the impacts of the Governor's proposed budget cuts are set for next week. They are:

March 10 – Overview of the health realignment proposals – Assembly Budget Subcommittee #1 on Health and Human Services

March 11 and 12 – Realignment in Human Services - Assembly Budget Subcommittee #1 on Health and Human Services and Senate Health and Human Services

March 12 – Governor's Traffic Congestion Relief Program proposal - Assembly Transportation Committee and the Assembly Budget Subcommittee #5 on Transportation

March 13 – Budget Proposal Affecting Housing – Assembly Committee on Housing and Community Development and Assembly Budget Subcommittee #4 on State Administration

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